

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CONSUMERS WATER)	
DISTRICT, OF GRAVES COUNTY, KENTUCKY,)	
FOR A CERTIFICATE OF CONVENIENCE AND)	
NECESSITY, AUTHORIZING SAID DISTRICT)	CASE NO.
TO EXTEND A WATER MAIN IN ORDER TO)	97-223
PURCHASE WATER FROM MAYFIELD ELECTRIC)	
AND WATER SYSTEM AND SEEKING APPROVAL)	
OF A RATE INCREASE)	

O R D E R

On April 21, 1997, the Consumers Water District ("Consumers") submitted an application to the Commission seeking approval of its proposed water system improvements, plan of financing, and proposed increase in water rates. Consumers' application was considered filed on May 22, 1997, when all deficiencies were cured. The proposed financing consists of a \$136,000 loan from the Graves County Bank.

KRS 278.300 provides that the Commission shall have 60 days after filing to consider applications for authority to issue or assume securities or evidences of indebtedness unless it is necessary for good cause to continue the application for a longer time than 60 days. In this proceeding, the Commission has not had ample opportunity to gather the required information concerning the details of the construction to be financed by the Graves County Bank loan. Since the proposed financing is contingent upon regulatory approval for the construction of the proposed water system improvements, it would be premature for the Commission to grant authority to incur the indebtedness when no ruling has been made on the project.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that good cause exists to continue the financing application beyond the 60-day period specified in KRS 278.300(2).

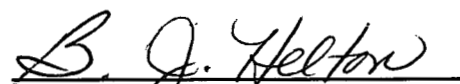
IT IS THEREFORE ORDERED that Consumers' application for authorization to incur additional indebtedness is continued beyond the 60-day period specified in KRS 278.300(2), pending a ruling on Consumers' request for a Certificate of Public Convenience and Necessity.

Done at Frankfort, Kentucky, this 10th day of July, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director